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Hatfield Helps Arms Dealer's Pipeline Project

Sen. Mark O. Hatfield (R-Ore.), whose reelection effort this year is supported by peace and nuclear-freeze groups, has used his considerable influence in Washington to promote an oil pipeline project hatched by an international arms merchant.

Hatfield, chairman of the Appropriations Committee, has continued his helpful efforts even after being warned that the Greek munitions dealer, Basil Tsakos, had a criminal record. In fact, Hatfield's string-pulling occurred at the very time that Tsakos was trying to sell attack helicopters to Iran from his Washington office, in apparent violation of U.S. law, according to a document obtained by my associate Corky Johnson.

I have also learned that other well-known Washington figures, including CIA Director William J. Casey, were involved with Tsakos' pipeline scheme.

Hatfield was introduced to Tsakos about two years ago by Carl Shipley, a prominent Washington attorney and former member of the Republican National Committee. Shipley had been working with

Tsakos and his American partner, Joe Rosenbaum, a friend of Casey and a former intelligence agent, on the idea of a pipeline across Central Africa from the Red Sea to the Atlantic. This would allow Saudi Arabia to ship its oil to the United States without having to send it through the Persian Gulf.

Shipley said he disengaged from the project when he learned of Tsakos' alleged criminal record in Greece. Shipley gave Hatfield an intelligence report, contained in CIA files and marked "strictly confidential," which summarized material taken from Greek government files.

Tsakos "was given a sentence of imprisonment for 45 days for withholding and pilfering of [Greek] government fringe benefits and funds," the report stated. It said he also was sentenced to jail in Athens for the "stealing of foreign funds."

The report also accused Tsakos of dealing in "black market" arms through a Geneva company, and of exporting antiques illegally. The report also said Tsakos has used forged passports for his arms dealings in Europe, Saudi Arabia, Egypt, Argentina and other countries.

None of this, apparently, deterred Hatfield. The two men and their wives socialized regularly at private dinners in Tsakos' Watergate apartment and the Hatfield home in Georgetown. In a lengthy interview with my associate, Hat-

field said he became interested in the arms merchant's trans-Africa pipeline project as an alternative to possible U.S. military action in the Middle East.

Hatfield confronted Tsakos with the derogatory information. Tsakos reportedly was furious, told Hatfield the report was false and produced a document that showed he had only one minor traffic violation.

Hatfield asked his attorney to check out Tsakos, and was told that he was "clean."

Meanwhile, Hatfield used his clout on Tsakos' behalf. He phoned Energy Secretary Donald P. Hodel and asked him to give Tsakos and his pipeline project personal attention. The three men had dinner in the Senate dining room, according to sources. Hodel saw that the pipeline project was given careful evaluation, but the Energy Department staff didn't think it was worth pursuing.

Hatfield also lined up an appointment for Tsakos with Exxon President Howard Kauffmann in New York. A company spokesman said that Kauffmann met with Tsakos only because Hatfield asked, and that the pipeline project has not been given serious consideration by Exxon.

Last November, Hatfield discussed the pipeline project with the president of Sudan, Mohammed Gaafar Nimeiri, who was visiting Washington. Sudan is where the pipeline would start.